

# INSTRUCTIONS FOR CALCULATION OF ANNUAL COUNTY FACILITIES PAYMENT (FOR USE WITH FORM CFP)

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## General Instructions

These Instructions for Calculation of Annual County Facilities Payment shall be used in conjunction with FORM CFP, which accompany these Instructions.

### A. Background

SB 1732 states that it is the intent of the Legislature to provide a source of funding for the ongoing operations and maintenance of court facilities by requiring each county to pay to the State the amount that the county historically expended for operation and maintenance of court facilities. These Instructions set forth the method for calculating the County Facilities Payment to be made by each county pursuant to SB 1732.

### B. Transmittal Letter and Methodology Statement

The transmittal letter and methodology statement must be completed for each facility transferred.

### C. Rounding, Format and Formulae

When completing FORM CFP, numbers should be rounded to whole dollars. The electronic version of FORM CFP is formatted in *Microsoft Excel®* and is the required method for the submission of

the County Facilities Payment calculation. In addition, the electronic version of FORM CFP contains pre-programmed formulae for sums and ratios that automatically calculate the County Facilities Payment when the appropriate data is entered. **CAUTION: WHEN USING THE ELECTRONIC VERSION OF FORM CFP, DO NOT DELETE OR CHANGE THE PRE-PROGRAMMED FORMULAE CONTAINED THEREIN.**

### D. Work-paper Reference Column

The electronic version of FORM CFP includes a work-paper reference column in each Schedule. Use this column for cross-references back to the supporting documentation used to complete FORM CFP. The purpose of the work-paper reference column is to assist the preparer and the auditor in tracing the cost information provided on FORM CFP to the underlying source work-paper documentation.

### E. Comments Column

The electronic version of FORM CFP includes a comments column in each Schedule. Use this column to describe material variances from year to year. Other explanatory information may also be included here.

### F. Source of Expenditures and Allocations

All expenditures and allocations to be provided on FORM CFP may be derived from the expenditures and allocations which have been prepared in accordance with OMB Circular A-87 "Cost Principles for State, Local, and Indian Tribal Governments" published at 60 Fed. Reg. 26484 (May 17, 1995), as further amended at 62 Fed. Reg. 45934 (August 29, 1997).

A separate FORM CFP should be completed for each facility transferred. All related supporting documentation is to be retained by the county, and readily available for review. Acceptable support documentation includes, but is not limited to, OMB A-87 Cost Allocation Plans and documentation, financial system expenditure reports, audited financial statements, and any additional detail documentation and reconciliation necessary to support the amounts appearing on the form.

**IMPORTANT:** While detailed information is important, it is understood by the AOC that each county has different methods of accumulating and allocating costs. Prepare FORM CFP using as the basis any information available by facility or function. **If costs are accumulated by facility rather than function, read the instructions, particularly the Schedule A instructions on page 10, before beginning.**

# INSTRUCTIONS TO FORM CFP

## COUNTY FACILITIES PAYMENT

### Definitions

The following terms and definitions shall apply to these Instructions and to FORM CFP:

**"Actual Costs"** shall mean 1995-1996 through 1999-2000 actual expenditures that are either supported by expenditure reports or the Cost Allocation Plan that reflects the expenditures in those years.

**"AOC"** shall mean the Administrative Office of the Courts.

**"Cost Allocation Plan"** shall mean the documentation identifying, accumulating and allocating or developing billing rates based on the allowable costs of services provided by a governmental unit on a centralized basis to its departments and agencies.

**"Council"** shall mean the Judicial Council of California.

**"County Facilities Payment"** shall mean the county facilities payment as defined in SB 1732.

**"Date of Transfer" or "DTR"** shall mean the date upon which responsibility for the court facility is to be transferred from the county to the Council in accordance with SB 1732.

**"Function"** shall mean a pool, center or area established for the accumulation of cost. Such areas include organization units, objects, or items of expense, as well as ultimate cost objectives, including specific grants, projects, contracts, and other activities.

**"Instructions"** shall mean these instructions that specify the manner in which the County Facilities Payment is to be calculated in accordance with SB 1732.

**"Internal Service Fund"** shall mean a fund that is used by government agencies to account for the financing of goods and services provided by one department to other departments on a cost-reimbursement basis.

**"Operation and Maintenance" or "O & M"** shall mean maintenance and repair, purchase, installation, modernization, and maintenance of major building systems of an ongoing nature, a special repair, landscaping and grounds maintenance services, maintenance of parking spaces or garages dedicated to court or for jurors (if the parking spaces are transferred), and county facility management and administrative costs directly or indirectly associated with trial court facilities, if transferred. (O & M does not include costs of janitorial services)

**"O & M Costs by Facility"** shall mean O & M costs that are accumulated by Facility and are not available at the function level.

**"Other Financial Records"** shall mean financial system expenditure reports, audited financial statements, original

documentation, and any additional documentation necessary to support the amounts appearing on FORM CFP.

**"SB 1732"** shall mean Statutes 2002, Chapter 1082 (Senate Bill 1732 Escutia).

**"Special Improvement"** - Gov. Code §70301(j) defines "special improvement" to mean "any modification that increases the designed level of services of a building, or a one-time modification of a building that is not expected to be repeated during the lifetime of the building." (Special Improvements are excluded from County Facility Payments.) **For example, adding an elevator to a building where one previously did not exist or energy conservation improvements.**

**"Special Repair"** - Gov. Code §70301(k) defines "special repair" to mean "modifications that maintain the designed level of services of a building and does not include a special improvement." **For example, a special repair would be roof or carpet replacement.**

Other than the foregoing terms and definitions, all terms and items used in these Instructions and FORM CFP have the same meaning as provided in SB 1732.

### Specific Instructions for Completion of FORM CFP

#### SECTION 1: ENTER GENERAL INFORMATION IN SECTION 1 OF FORM CFP

**Item A (Name of County):** Enter the name of the county.

**Item B (County Contact Person):** Enter the name, telephone number and email address of the contact person primarily responsible for completing FORM CFP on behalf of the county. The contact person identified should be the person most familiar with the information in FORM CFP. The contact person should be available to respond to inquiries and communications from the AOC, the Council, and the Department of Finance.

**Item C (Address of County):** Enter the primary mailing address for the county. Any and all written notices and correspondence from the AOC and/or the Council shall be sent to this address.

**Item D (Name of Court Facility):** Enter the name of the court facility. Enter "none" if the court facility does not have a commonly used name.

**Item E (Site ID / Building ID):** To be provided by AOC.

**Item F (Shared Use Proration of Facility):** If the court facility is located in a shared-use building, the total number of usable square feet of space in the building and the number of usable square feet of space occupied by the Courts will be negotiated between the county

# INSTRUCTIONS TO FORM CFP

## COUNTY FACILITIES PAYMENT

and the AOC. Enter the negotiated square footage amounts in the spaces provided for in Item F. Upon entering the square footage amounts, the ratio will be automatically calculated. For buildings solely occupied by the Courts, a ratio of 100% will be used.

**Item G (Address of Court Facility):** Enter the street address for the county building containing the court facility for which FORM CFP is being completed.

**Item H (Proposed DTR):** Enter the proposed DTR.

### SECTION 2: ENTER INFLATION INDEX FACTOR IN SECTION 2 OF FORM CFP

**Line 1:** The Inflation Index applicable for January 1 of each fiscal year in columns A through E has been provided by the Department of Finance in Line 1, Section 2. No entry required.

**Line 2 (Proposed DTR Inflation Index):** Enter the Inflation Index for the proposed DTR for the court facility in Line 2, Section 2. To obtain the Inflation Index, go to [www.crefg.com](http://www.crefg.com), click on "projects," then click "Administrative Office of the Courts" and then click on "Inflation Index". Note: The Inflation Index will be updated on a monthly basis as new numbers are received from the Department of Finance. Please ensure that the most up-to-date Inflation Index is used when completing the FORM CFP.

**Line 3 (Inflation Index Factor):** Upon entering the inflation index for the proposed DTR in Line 2, the inflation index from each applicable fiscal year to the proposed DTR will be automatically calculated as follows: The inflation index for the proposed DTR shown in Line 2, Section 2 is divided by the inflation index for each fiscal year listed in Line 1, Section 2 (Columns A through E) and then multiplied by 100. The result of each calculation, calculated out to four decimal places, is automatically entered in the corresponding space in Line 3, Section 2 (Columns A through E). If the result derived from any calculation is less than 100, the number "100" will be entered in the applicable space provided in Line 3, Section 2 (Columns A through E).

**Note:** In accordance with Gov. Code §70355, the base inflation index figures for January 1, 1996, January 1, 1997, January 1, 1998, January 1, 1999, January 1, 2000, and the DTR as shown in Part I, Section 2 of FORM CFP have been calculated by the Department of Finance using the average of the following three indices from the Bureau of Labor Statistics Producer Price Index all rebased to equal 100 as of January 1996: (i) Building cleaning and maintenance services (Series Id PCU 7349); (ii) Operators and lessors of nonresidential buildings (Series Id PCU 6512); and (iii) Maintenance and repair constructions (Series Id PCU BMRP).

The base inflation index figures are published on a trailing four (4) month basis (e.g., the PPI indices available in June of 2003 are for February 2003). Therefore, the inflation index for the DTR provided by the Department of Finance and located at [www.crefg.com](http://www.crefg.com) has been extrapolated using the latest twelve (12)

months of data for which final indices are available. When the actual base inflation index for the DTR is available, the County Facilities Payment shall be recalculated and the reimbursements due from either the county or the Council shall be determined.

### SECTION 3: ENTER AMOUNTS FROM SCHEDULES A, B, C, D

Complete Schedules A through D in order to complete lines 4, 5, 6, 7 and 9 of this Section. Note: In order for all the pre-programmed formulas contained in the FORM CFP to function correctly, Appendix A must be completed prior to completing Schedule A.

**Line 4 (O & M Expenses):** Upon completion of Schedule A, the O & M Expenses from Line 22 of Schedule A will be automatically entered in the space provided in Line 4. (See Schedule A Instructions, page 10.)

**Line 5 (Utility Costs):** Upon completion of Schedule B-1 and/or Schedule B-2, as applicable, the Utility Costs from Line 26 of Schedule B-1 and Line 15 of Schedule B-2 will be automatically entered in the space provided in Line 5. (See Schedule B-1 and B-2 Instructions, pages 6 and 7.)

**Line 6 (Insurance Costs):** Upon completion of Schedule C, the Insurance Costs from Line 17 of Schedule C will be automatically entered in the space provided in Line 6. (See Schedule C Instructions, page 7.)

**Line 7 (Initial Annual Lease Payment):** Upon completion of Schedule D, if applicable, the Initial Annual Lease Payment from Line 24 of Schedule D will be automatically entered in the space provided in Line 7. If the court facility is not leased or rented, "N/A" will be automatically entered in Line 7. (See Schedule D Instructions, page 8.)

**Line 8 (Future Lease Payment):** In Line 8, mark the appropriate box for "Yes" or "No" to indicate whether the future annual lease payments under the rental or lease agreement (Future Lease Payment) are subject to increase. If the box for "Yes" is marked, complete Worksheet 2 to the extent possible. (See Worksheet 2 Instructions, page 9.)

**Line 9 (Parking & Garage Costs):** Upon completion of Schedule A, the Parking & Garage Costs from Line 27 of Schedule A will be automatically entered in the space provided in Line 9. (See Schedule A Instructions, page 4.)

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## COUNTY FACILITIES PAYMENT

### SECTION 4: CALCULATE ADJUSTMENT FOR SHARED USE PRORATION

**Line 10 (Shared Use Proration):** Upon completion of Section 1, the Shared Use Proration from Item F, Section 1 will be automatically entered in the space provided in Line 10.

**Line 11:** The sum of Lines 4 through 7 of Section 3 will be automatically entered in the space provided in Line 11.

**Line 12:** The product of Line 10 and Line 11 will be automatically entered in the space provided in Line 12.

### SECTION 5: CALCULATE COUNTY FACILITIES PAYMENT

**Line 13:** The sum of Line 9 and Line 12 will be automatically entered in the space provided in Line 13 as the "County Facilities Payment."

### COUNTY AUDITOR CERTIFICATION

Enter the county auditor's name. The county auditor must (1) affix his or her original signature, and (2) print the date, in the space provided at the bottom of the hardcopy FORM CFP in the space entitled "County Auditor Certification."

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### SCHEDULE A – O & M EXPENSES (Gov. Code §70356)

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**PART ONE OF APPENDIX A MUST BE COMPLETED PRIOR TO COMPLETION OF SCHEDULE A.** Complete Appendix A Part I by entering the months of operation for each fiscal year for the court facility that is being transferred.

**Note:** The following expense items shall be **excluded** from the calculation of the County Facilities Payment pursuant to Gov. Code §70360 and Rule 810:

- (a) Purchase of land and buildings;
- (b) Construction and construction services;
- (c) Maintenance of parking for general public whose responsibility is not transferred and that may also be used by the courts or jurors;
- (d) Depreciation of court facilities;
- (e) Costs associated with court facilities (or portions thereof) that is not transferred to the State or that remains a county responsibility;
- (f) A capital project that alters the facilities' function or capacity;
- (g) Any county payments resulting from Bonded Indebtedness and not normally a cost of building operation;
- (h) A Special Improvement and;
- (i) Janitorial expenditures.

**Note:** If detailed expenses are available, enter function costs in Parts II through V. Otherwise, allocate at the building level and enter total O & M costs on Line 1 of Schedule A in the space provided and skip Parts II through V.

**Note:** Use blank lines to enter functions not listed on Schedule A. Use Worksheet 1 for additional functions and additional worksheets if necessary.

#### Part I. O & M Costs by Facility (if O & M costs are accumulated by Facility)

**Line 1:** In Columns A through E of Line 1, enter 100% of costs for a shared-use facility. **Note:** Exclude all expenses listed in Gov. Code §70360 and all janitorial expenditures. **Use this section only if costs are not accumulated at the function or detail level.**

#### Part II. Maintenance and Repair Items

**Lines 2 – 4:** In the space provided in Columns A through E of Lines 2 through 4, enter the actual costs for maintenance and repair, including, but not limited to, maintenance and repair of the facility and its components, utility systems, security equipment (only security equipment that is part of the transferred facility), and interior and exterior lighting for five fiscal years from 1995-96 through 1999-2000. **Note:** Exclude all expenses listed in Gov. Code §70360 and all janitorial expenditures.

**Line 5:** The subtotal for the other Maintenance and Repair Costs listed on Worksheet 1 will be automatically entered in the spaces provided in Columns A through E of Line 5. See instructions for Worksheet 1 provided at the end of the Schedule A Instructions.

#### Part III. Purchase, Installation, Modernization, and Maintenance of Major Facility Systems Not of an Ongoing Nature and not included in Lines 2 - 5.

**Lines 6 – 8:** In the space provided in Columns A through E of Lines 6 through 8, enter the expenses for the purchase, installation, modernization, and maintenance of major facility systems not of an ongoing nature, including, but not limited to, plumbing, HVAC (heating, ventilation, and air-conditioning), electrical, and vertical transportation not included in Lines 2 through 5 (e.g., elevators, escalators, stairways) for fiscal years 1995-96 through 1999-2000. Do not include capital expenditures that change the function or capacity of a facility (including energy conservation improvements), or expenditures that were paid with Courthouse Construction Funds or grants.

**Line 9:** The subtotal for Other Expenditures from Worksheet 1 will be automatically entered in the spaces provided in Columns A through E of Line 9. See instructions for Worksheet 1 provided at the end of the Schedule A instructions.

# INSTRUCTIONS TO FORM CFP

## COUNTY FACILITIES PAYMENT

### Part IV. Management and Administrative Costs

**Lines 10 – 11:** In the space provided in Columns A through E of Lines 10 and 11, enter the actual costs for the county facility management and administrative costs directly or indirectly associated with trial court facilities, including, but not limited to, management, supervision, non-capital planning & design, department administration, payroll, finance, procurement, and program management for fiscal years 1995-96 through 1999-2000.

**Line 12:** The subtotal for Other Management and Administrative Costs from Worksheet 1 will be automatically entered in the space provided in Columns A through E of Line 12. See instructions for Worksheet 1 provided at the end of the Schedule A instructions.

### Part V. Miscellaneous

**Line 13 (Special Repairs):** In the space provided in Columns A through E of Line 13, enter the actual costs for "special repairs" as defined in Gov. Code §70301(k) (see definition for Special Repairs) for fiscal years 1995-96 through 1999-2000. Attach a detailed statement as necessary.

**Line 14 (Landscaping & Grounds Maintenance):** In the space provided in Columns A through E of Line 14, enter the actual costs for landscaping and grounds maintenance services for fiscal years 1995-96 through 1999-2000. Expenses for landscaping and grounds maintenance include, but are not limited to, maintenance of driveways, curbs, walkways, and planters. Attach a detailed statement as necessary.

**Line 15 (Miscellaneous):** In the space provided in Columns A through E of Line 15, enter any additional category of miscellaneous expense. Attach a detailed statement as necessary.

**Line 16 (Other Miscellaneous):** The subtotal for Other Miscellaneous Costs from Worksheet 1 will be automatically entered in the space provided in Columns A through E of Line 16. See instructions for Worksheet 1 provided at the end of the Schedule A instructions

### Part VI. Adjustments to Costs for Overhead and Direct Billings

**Line 17 (Direct Billings):** In the space provided in Columns A through E of Line 17, enter direct billings to, and received from, the courts for O & M costs (e.g., the costs that were paid by the courts when the courts were a county responsibility.)

**Line 18 (Overhead):** In the space provided in Columns A through E of Line 18, enter overhead costs if not included in Line 17 above.

**Line 19 (Other Adjustments):** Additional adjustments, either positive or negative from Worksheet 1 will be automatically entered in the space provided in Columns A through E of Line 19. See

instructions for Worksheet 1 provided at the end of the Schedule A instructions.

### Part VII. Adjustment for Inflation Index Factor

**Line 20:** The sum of Lines 1 through 19 for each of Columns A through E equals the total O & M Expenses for each applicable fiscal year and will be automatically entered in the space provided in Line 20, Columns A through E.

**Line 21:** The product of each fiscal year's total from line 20 and the Inflation Index Factor for the applicable fiscal year from Line 3, Section 2 of the FORM CFP will be automatically entered in the space provided in Line 21, Columns A through E.

**Line 22:** The sum of the fiscal year product totals from Line 21, Columns A through E, is divided by the operational years from line 2 of Appendix A. The result will be automatically entered in the space provided in Line 22 for the average "O & M Expenses".

### Part VIII. Parking Spaces and Garages Dedicated to the Court or for Jurors

**Line 23:** In the space provided in Line 23, enter the number of parking spaces dedicated to the court or for jurors. This is the total number of parking spaces regardless of whether title and/or maintenance responsibility will transfer.

**Line 24:** In the space provided in Line 24, enter the number of parking spaces dedicated to the court or for jurors that will be transferred by title and/or maintenance responsibility to the courts.

**Line 25:** In Columns A through E of Line 25, enter the expenses for maintenance of the parking spaces and/or garages, dedicated to the court or for jurors, that will transfer to the State.

**Line 26:** The product of the total costs for each fiscal year in Columns A through E, Line 25, and the Inflation Index Factor for the applicable fiscal year from Line 3, Section 2 of the FORM CFP will be automatically entered in the space provided in Line 26, Columns A through E.

**Line 27:** The sum of the fiscal year product totals from Line 26, Columns A through E, is divided by the operational years from line 2 of Appendix A and the result will be automatically entered in the space provided in Line 27 for the average "Parking & Garage Costs".

### WORKSHEET 1 (O & M EXPENSE ITEMS)

Worksheet 1 is to be used in conjunction with Schedule A for additional O & M Expense items. Enter description and annual amounts under each cost classification. Worksheet 1 will automatically total each cost classification and enter the subtotal in the corresponding lines on Schedule A. If additional lines are needed, use the continuation sheets below Worksheet 1.

# INSTRUCTIONS TO FORM CFP COUNTY FACILITIES PAYMENT

## SCHEDULE B-1 OR B-2 – UTILITY COSTS (Gov. Code §70357)

The county may complete either Schedule B-1 or Schedule B-2, or a combination of the two. The county shall determine the appropriate Schedules to complete as follows:

**Schedule B-1:** If, for any utility, consumption amounts and rates are available for the court facility for all of the fiscal years 1995-96 through 1999-2000, inclusive, the county shall complete Schedule B-1 for that utility.

**Schedule B-2:** If, for any utility, either utility consumption amounts or rates are not reasonably available for the court facility for any or all of fiscal years 1995-96 through 1999-2000, inclusive, after the county makes a good faith effort to obtain those consumption amounts or rates, Schedule B-2 may be completed by the county **in lieu of Schedule B-1 for that utility**. Utility costs in Schedule B-2 are calculated by averaging the utility costs incurred in connection with the operation of the facility for the fiscal years 1995-96 through 1999-2000, inclusive. The county must include on Schedule B-2 a detailed description of all activities undertaken by the county in attempting to obtain the consumption amounts or rates and the results of those activities.

**When Specific Utility Costs May Be Excluded:** The utility costs shall be included in the County Facilities Payment without regard to whether payment of the costs was made by the county, the court, or another entity. However, the amount of specific utility costs may be excluded from the County Facilities Payment if all of the following conditions are satisfied:

(a) A lease with a third-party lessor expressly provides that the utilities are to be paid by the lessor.

(b) There is no payment by the lessee for the utilities, except as part of the lease payment.

(c) The lease payment is included in the County Facilities Payment (see Instructions for Rental and Lease payments on Schedule D, page 8).

## SCHEDULE B-1 – UTILITY COSTS (CONSUMPTION METHOD)

**NOTE:** If a court facility shares a utility consumption measurement device (meter) with a non-court facility that operates 24/7, a pro rata allocation should be made and a separate statement with the allocation method and calculation should be attached.

### Part I. Utility Consumption

**Lines 1 through 5:** In the spaces provided in Lines 1 through 5, enter the consumption amounts (in units of usage) of each utility item consumed annually in the operation of the court facility (as applicable) for fiscal years 1995-96 through 1999-2000. If any utility item is not applicable, enter "0" in the space provided. If the county

consumed any utilities other than the types listed on the first page of Schedule B-1 (i.e., natural gas, electricity, water, sewage, trash removal), enter the type of utility and the consumption amounts for fiscal years 1995-96 through 1999-2000 in the [Other] columns on Schedule B-1 and Schedule B-1 Continued.

**Lines 6 and 7:** Upon completion of Lines 1 through 5, the utility consumption totals and average annual consumption will be automatically calculated in Lines 6 and 7, Columns A through F,

### Part II. Utility Rates

**Lines 8 through 19:** In the spaces provided in Lines 8 through 19, enter the mixed rate charged for each utility item (in dollars per unit of measurement) consumed in the operation of the court facility for each month of fiscal year 1999-2000. If the county consumed any utilities other than the types listed on the first page of Schedule B-1 (i.e., natural gas, electricity, water, sewage, trash removal), enter the type of utility and the mixed rate charged for fiscal years 1995-96 through 1999-2000 in the [Other] columns on Schedule B-1 and Schedule B-1 Continued. If there is no data for a particular month, leave the cell blank or enter "0". Please note that the County can only use Schedule B-1 if 12 month's of data is available.

**Lines 20 and 21:** Upon completion of Lines 8 through 19, the fiscal year 1999-2000 utility cost totals and the average monthly rate will be automatically calculated in Lines 20 and 21, Columns A through F.

### Part III. Calculation of Utility Costs

**Lines 22 through 26:** Upon completion of Lines 1 through 5 and 8 through 19 (including the continuation page of Schedule B-1 for "other" utilities), the calculation of utility costs in Lines 22 through 26 will be automatically calculated.

### Part IV. Fiscal Year Summary of Utility Costs for Schedule E Reconciliation (Note: this Part IV is only on the Schedule B-1 Continuation sheet).

**Line 24:** Line 24 will be automatically calculated to show the total utility costs by fiscal year as follows: each utility consumption amount in a particular fiscal year is multiplied by the applicable monthly rate resulting in the costs for that utility. All utility costs in a given fiscal year are added together resulting in the total utility costs for that fiscal year. This result is automatically entered into the applicable columns in Line 24.

# INSTRUCTIONS TO FORM CFP COUNTY FACILITIES PAYMENT

## SCHEDULE B-2 – UTILITY COSTS (COST METHOD)

### Part I. Utility Cost Detail

**Line 1:** In the space provided in Line 1, enter total utility costs if detailed records are not available.

**Lines 2 – 6:** In the space provided in Lines 2 through 6, enter the annual cost of each utility incurred in the operation of the facility for fiscal years from 1995-96 through 1999-2000. If any utility item is not applicable, enter "0" in the space provided.

**Lines 7 – 12:** In the space provided in Lines 7 through 12, enter the utility costs for those utilities that are not included in Lines 2 through 6.

**Line 13:** Upon completion of Lines 1 through 12, Line 13 will be automatically calculated.

**Line 14:** Upon completion of Line 13, Line 14 will be automatically calculated by multiplying the total costs for each fiscal year in Line 13 by the Inflation Index Factor for the applicable fiscal year from Section 2, Line 3 of the FORM CFP.

**Line 15:** Upon completion of Line 14, the sum of the columns from Line 14 is divided by the Operational Years. The result will be automatically entered in the space provided in Line 15 as the average "Utility Costs".

### Part II. Statement Required by Government Code Section 70357(b)

The county shall acknowledge the statement required by Government Code Section 70357(b) that either utility consumption amounts or rates are not reasonably available for any court facility for any or all of the fiscal years 1995-96 to 1999-2000, inclusive, after a good faith effort was made to obtain those consumption amounts or rates. The county must include on Schedule B-2 a detailed description of all activities undertaken to obtain the consumption amounts or rates and the results of these activities.

## SCHEDULE B-3 – ENERGY SAVINGS MEASURES (Gov. Code §70357)

If the county implemented a special improvement to increase energy efficiency during the 1995-96 fiscal year or thereafter, and that special improvement resulted in measurable and ongoing net cost savings, then the county may complete Schedule B-3 by including a description and calculation of the special improvement and the resulting cost savings as part of its County Facilities Payment calculation. The amount of any reduction in the County Facilities Payment calculation shall be limited to the demonstrable ongoing cost savings to the State directly resulting from the Special

Improvement only to the extent not already reflected in the cost or consumption data used to determine utilities costs. The county shall document or demonstrate the savings and the fact that the savings are not already reflected in the cost or consumption data. Pursuant to Gov. Code §70357, this amount must be agreed upon by both the county and the AOC. This credit will not appear in the FORM CFP, but will be reflected as a reduction in the annual County Facilities Payment.

## SCHEDULE C – INSURANCE COSTS (Gov. Code §70358)

### Part I. Existence and Identification of Bonded Indebtedness Obligor a Court Facility Building

**Line 1 (Existence of Bonded Indebtedness):** State whether the court facility is located in a building subject to any financial obligation, including but not limited to, bonds, lease revenue bonds, certificates of participation, mortgages, liens or loans ("Bonded Indebtedness") or where Bonded Indebtedness was used to acquire, construct or improve the building.

**Line 2 (Information Concerning Bonded Indebtedness Obligor a Court Facility Building):** If the response stated in Line 1, Part I, Schedule C is "yes," complete the information requested in sub-parts A, B and C of Line 2. If the response stated in Line 1, Part I, Schedule C is "no," enter zero in Line 5 of Part II, Schedule C and proceed to Part III, Schedule C.

**Line 2(A):** Enter the type of Bonded Indebtedness to which the court facility is subject (e.g., bond, lease revenue bond, mortgage, loan, certificate of participation, etc.).

**Line 2(B):** Enter the original principal amount of the Bonded Indebtedness to which the court facility building is subject. If the Bonded Indebtedness is refunded prior to the DTR to achieve monetary savings to the county and if the principal amount of the Bonded Indebtedness is increased to include amounts required to pay the costs of the re-funding, the amount stated in Line 2(B) should be the new principal amount of the Bonded Indebtedness including the principal amount added to pay the costs of the re-funding.

**Line 2(C):** Enter the current maturity date(s) of the Bonded Indebtedness to which the court facility is subject.

### Part II. Insurance Required by Bonded Indebtedness Agreement

**Note:** Part II of this Schedule C is to be completed only if the building in which the court facilities are located is subject to Bonded Indebtedness. If the building containing the court facility to which FORM CFP applies is not subject to Bonded Indebtedness, Part II of Schedule C is not applicable and need not be completed. If Part II of Schedule C is not applicable, enter zero in Line 5 of Part II, Schedule C, and proceed to Part III, Schedule C.

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## COUNTY FACILITIES PAYMENT

**Line 3:** Enter the costs of all insurance required by any agreement involving Bonded Indebtedness on the building in which the court facilities are located.

**Line 4:** Enter the costs of commercial insurance coverage on the building if the building was not subject to the insurance requirements set forth in the agreement involving Bonded Indebtedness, taking into consideration the costs of commercial insurance coverage for a fair and reasonable level of insurance and costs of self-insurance.

**Line 5:** Upon completion of Lines 3 and 4, the difference will be automatically calculated and entered in the space provided in Line 5. If Line 4 is greater than Line 3, zero will be entered in the space provided in Line 5.

### Part III. Actual Insurance Costs

**Lines 6 – 14 (Insurance expenditures for FY 1999-2000):** In Lines 6 through 14, enter the annual premium costs for commercial or self-insurance general liability (including the cost of liability insurance for the grounds to the extent responsibility for the grounds will be transferred to the Council), property, fire, flood, terrorism and earthquake coverage.

**Line 15:** Upon completion of Lines 6 through 14, the sum will be automatically entered in Line 15.

### Part IV. Calculation of Insurance Costs

**Line 16:** Line 5 will be automatically subtracted from Line 15 and the difference will be entered in the space provided in Line 16.

**Line 17:** Line 16 will be automatically multiplied by the Inflation Index Factor in Section 2, Line 3, Column E of the FORM CFP and the product will be entered in the space provided in Line 17 as the "Insurance Costs."

## SCHEDULE D – RENTAL & LEASING PAYMENTS

(Gov. Code §70359)

**Note:** Schedule D is to be completed only for court facilities located in buildings that are leased or rented by the county from a third party pursuant to a rental or lease agreement. If the court facility to which FORM CFP applies is located in a building owned by the county, Schedule D is not applicable and need not be completed. **A copy of the rental or lease agreement for the facility must be attached to Schedule D.**

### Part I. Basic Lease Information

**Line 1 (Title and Execution Date of Lease or Rental Agreement):** Enter the title of the rental or lease agreement under which the county leases or rents the building in which the court facilities are located and the date on which the listed rental or lease

agreement was signed. If there are any amendments, addenda, renewals, extensions, or other modifications to the listed rental or lease agreement, enter the title and date of signature for each amendment, addendum, renewal, extension, or other modification to the rental or lease agreement.

**Line 2 (Name, Address, and Contact Person for Landlord):** Enter the name, primary business address, and contact person for the landlord or lessor under the rental or lease agreement listed in Line 1, Part I, Schedule D.

**Line 3 (Expiration Date of Current Lease Term):** Enter the date on which the current term of the rental or lease agreement listed in Line 1 expires. The date provided in Line 3 should include the date of expiration for any extended term of the rental or lease agreement only if the extension option has already been exercised by the county in accordance with the terms of the rental or lease agreement. Otherwise, the expiration date of the currently effective term of the rental or lease agreement should be provided in Line 3.

**Line 4 (Option(s) to Extend Lease Term):** Enter the total number of options the county has to extend the term of the rental or lease agreement listed in Line 1 beyond the expiration date of the currently-effective term of the rental or lease agreement. As to each separate option that the county has to extend the term of the rental or lease agreement, state the period of time that the term of the rental or lease agreement would be extended if the county were to exercise each extension option. Provide the latest date on which the rental or lease agreement would expire if the county exercised all presently-existing additional options to extend the term of the rental or lease agreement for the building in which the court facilities are located.

**Line 5 (Portion of Rental or Lease Agreement Funded by Courthouse Construction Fund):** (Note: Line 5 is to be completed only if the rental or lease agreement listed in Line 1 was originally entered into prior to July 1, 2002). Enter the extent to which the rental or lease agreement listed in Line 1 was funded by the county's Courthouse Construction Fund prior to July 1, 2002, whether in whole or in part. State your response as a percentage of the total rental or lease agreement cost prior to July 1, 2002.

**Line 6 (Rental Rate):** Describe the annual rental rate under the rental or lease agreement in Line 6.

**Line 7 (Escalation of Rent):** If the rental or lease agreement contains an escalation of rent provision, describe the basis for calculating rent escalations.

**Line 8 (Operating Expense):** Describe the basis for calculating any operating expenses or other reimbursements that are not paid to a landlord under the rental or lease agreement, including, without limitation, common area maintenance charges, taxes and/or insurance ("Operating Expenses"). Deduct any reimbursements paid to the landlord under the rental or lease agreement for janitorial services.



# INSTRUCTIONS TO FORM CFP

## COUNTY FACILITIES PAYMENT

### Part II. Lease Payments for Fiscal Year of DTR

**Lines 9 – 20:** Enter the Monthly Base Rent and any Monthly Operating Expense for each month of the fiscal year of the DTR in Lines 9 through 20, Columns A and B. The amounts listed in Lines 9 through 20 should include:

- (i) all items characterized as “rent” or “additional rent” in the applicable rental or lease agreement;
- (ii) common area maintenance expenses;
- (iii) the amount to be paid by the county to the landlord for all operating expenses of the building pursuant to the rental or lease agreement for the fiscal year of the DTR (except to the extent separately listed in Schedules A, B-1 (or B-2), or C of FORM CFP), including property taxes, utilities, insurance, capital expenditures, property management, maintenance, repairs, replacements, landscaping and grounds maintenance, trash removal, roof repairs, security and fire-life-safety costs, and all other operating expenses of the leased building to the extent passed through to the county under the rental or lease agreement for the fiscal year of the DTR;
- (iv) parking charges that are not included in the rent;
- (v) charges for excess or “after-hours” use of HVAC, utilities or freight elevator;
- (vi) signage fees;
- (vii) storage charges;
- (viii) any other costs, expenses, or charges of an on-going nature for which the county is responsible to pay the landlord during the fiscal year of the DTR pursuant to the rental or lease agreement listed in Line 1.

**Note:** The amounts listed in Lines 9 through 20 should not include reimbursements for janitorial and window cleaning services.

### Part III. Calculation of Initial Annual Lease Payment

**Line 21:** Upon completion of Lines 9 through 20, Column A, the sum of the Monthly Base Rent figures will be automatically entered in Line 21.

**Line 22:** Upon completion of Lines 9 through 20, Column B, the sum of the Monthly Operating Expense figures will be automatically entered in Line 22.

**Line 23:** If the county made a payment to the landlord during the fiscal year of the DTR because the amount of any estimated payments made by the county for a prior lease year were less than the actual sums owed pursuant to a reconciliation process provided for in the rental or lease agreement, the amount of such payment should be included in the amount stated in Line 23. If the landlord made a reimbursement payment to the county during the fiscal year of the DTR because the amount of any estimated payments made by the county for a prior lease year were greater than the actual sums owed pursuant to a reconciliation process provided for in the rental or

lease agreement, the amount of such reimbursement payment should be deducted from the amount stated in Line 23.

**Line 24:** Upon completion of Lines 21 through Line 23, the “Initial Annual Lease Payment” will be automatically entered in Line 24.

### Part IV. Calculation of Future Lease Payment

If the rent increases under the rental or lease agreement for the fiscal years following the fiscal year of the DTR can be calculated without estimating future indices (e.g., CPI or increase over base year expenses), complete Worksheet 2 in accordance with the instructions below. If not, do not complete Worksheet 2. The lease payment component of the County Facilities Payment will be recalculated when the information needed to accurately complete the calculations is available.

## WORKSHEET 2 – FUTURE LEASE PAYMENTS

On Worksheet 2, enter the Monthly Rent and Operating Expenses for each fiscal year following the fiscal year of the DTR in the space provided. If the figures for all of the subsequent fiscal years cannot be listed on one page, use additional blank copies of Worksheet 2 as necessary.

## SCHEDULE E – RECONCILIATION OF CFP TO COSTS

Schedule E is used to reconcile costs on FORM CFP to totals from the countywide Cost Allocation Plan and/or Internal Service Funds and/or other financial records.

**Line 1:** Upon completion of Schedule A, the total O & M Expenses (before applying the Inflation Index Factor) from Line 20 of Schedule A will be automatically entered in Line 1.

**Line 2:** Upon completion of Schedule A, the total Court-Dedicated Parking Spaces and Garages costs (before applying the Inflation Index Factor) from Line 25 of Schedule A will be automatically entered in Line 2.

**Line 3:** Upon completion of Schedule B-1 and B-2, as applicable, the total Utility Costs (before applying the Inflation Index Factor) from Line 24 of Schedule B-1 Continued and Line 13 of Schedule B-2 will be automatically entered into Line 3.

**Line 4:** Enter the total Insurance Costs (before applying the Inflation Index Factor) from Line 15 of Schedule C.

**Line 5:** Enter the Initial Annual Lease Payment from Line 24 of Schedule D.

**Line 6 – 8:** Enter additional expenditures from FORM CFP (identify item and source of information).

# INSTRUCTIONS TO FORM CFP

## COUNTY FACILITIES PAYMENT

**Line 9:** Upon completion of Lines 1 through 8, the adjusted County Facilities Payment (before applying the Inflation Index Factor) will be automatically calculated and entered in Line 9.

**Line 10 - 17:** Enter costs and adjustments from countywide Cost Allocation Plan for each fiscal year (plan year 97/98, 98/99, 99/00, 00/01, 01/02).

**Line 18 - 24:** Enter costs and adjustments from Internal Service Funds for each fiscal year 95/96, 96/97, 97/98, 98/99, 99/00.

**Line 25 - 31:** Enter costs and adjustments from Other Financial Records for each fiscal year 95/96, 96/97, 97/98, 98/99, 99/00.

**Line 32:** Lines 10 through 31 in columns A through E will be automatically added and the sum will be entered in Line 32. The sum in Line 32 must equal the sum in Line 9.

**Line 33:** Explain adjustments on Worksheet 3.

### WORKSHEET 3 – EXPLANATION OF SPECIFIC LINE ITEMS

Worksheet 3 should be used to provide detailed explanations of any irregular or special circumstance or consideration in connection with any expense items listed in Schedules A through E, as applicable. For example, if any expenses related to a shared use building cannot be equitably prorated, or have not been prorated, based on the usable space in the building, a detailed explanation of the methodology for allocating such particular cost to a particular facility or building should be provided for the line item cost in the space provided in Worksheet 3.

### APPENDIX A – Building ID & Periods of Operation

**Part I. Operational Period for the Facility that is being Transferred (NOTE AS STATED ABOVE ON PAGE 3 UNDER SECTION 3: PART ONE OF APPENDIX A MUST BE COMPLETED PRIOR TO COMPLETION OF SCHEDULE A)**

**Line 1:** Complete Appendix A Part I by entering the months of operation for the Facility that is being transferred for each fiscal year.

**Line 2:** Divide total months on Line 1 by the number 12 to calculate operational years.

**Part II. Operational Periods for All Other County-owned Court Facilities**

Complete Appendix A Part II by listing all other county-owned court facilities by name and number of months of operation as a court facility for each fiscal year. Attach Appendix A to each FORM CFP submitted.

### APPENDIX B: EXPLANATION OF UNUSED LINES

Appendix B should be used to identify unused lines by Schedule and Line number for specific cost categories in order to ensure that there were no omissions of information. Lines without descriptions on the Schedules need not be explained.

### SUBMISSION REQUIREMENTS INCLUDING TRANSMITTAL LETTER AND METHODOLOGY STATEMENT

The completed FORM CFP should be submitted to the AOC as follows:

(a) A complete, hard copy and electronic copy should be submitted for each facility to be transferred. The hard copy and electronic copy should consist of a Transmittal Letter and Methodology Statement, and FORM CFP with all Schedules, Worksheets, Appendices, and attachments as required. **Not** all supporting documentation (e.g., general ledger, source documents, etc.) should be submitted with the hard copy version, but instead be retained by the county and readily available for review.

(b) Signed hard copy submission should be mailed to:

Administrative Office of the Courts  
Katherine Albertus, OCCM  
455 Golden Gate Avenue  
San Francisco, CA 94102-3660

(c) The submission must be postmarked at least ninety (90) days prior to the proposed date of transfer of responsibility for the facility.

(d) Electronic submissions should be emailed to:  
[occmcfp@jud.ca.gov](mailto:occmcfp@jud.ca.gov)

(e) Electronic submissions must utilize the following naming convention for each electronic file: the 2-digit county number, followed by the court site and building number, and then followed by the court facility name.  
For example: 42\_B1\_SBMunicipalCourt.xls

### Records Retention Policy

The county must retain any and all records and documentation supporting the expenditures and calculations, including, without limitation, the completed FORM CFP, work-papers, and any supporting documentation, based on the individual county's retention policy, but for no less than three years after the date of transfer of responsibility (DTR).